



香港地產建設商會

THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

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9 July 2009

Clerk to the Panel on Development
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Attention: **Mr. Wong Siu-yee**

Dear Mr. Wong

**Proposals to Facilitate Redevelopment by the Private Sector:
Application Threshold under the
Land (Compulsory Sale for Redevelopment) Ordinance**

We thank you for your letter of 25 June.

We support fully the Administration's current proposals to lower the threshold for compulsory sale for the three classes of lots under the Land (Compulsory Sale for Redevelopment) Ordinance, viz.,

- a) lots with "all units but one" acquired;
- b) lots with all buildings aged 50 or above; and
- c) lots with industrial buildings aged 30 or above located in non-industrial zones.

As a matter of fact, for reasons as stated in our previous submission dated March 2008 (copy attached), we consider 40 years of age in the Administration's former proposal is a more appropriate threshold for the class b) above. The concern that a lower age might lead to a deluge of compulsory sale is unfounded as each and every application must go through the Lands Tribunal which will act as the gatekeeper. In any event, in the interest of our city, the above proposals should be implemented immediately without further delay.

You will note from our previous submission that there are two other issues remaining unaddressed as of date. They are:

- 1) The issue of missing or untraceable owners.
- 2) The basis for the calculation of shares in triggering the threshold to be widened to include contiguous lots.



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If Hong Kong as a community considers it a priority to improve its urban fabric, and we believe it does, we are afraid that we cannot afford to leave these two issues unattended for much longer.

Yours sincerely

Louis Loong
Secretary General



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(Attachment)

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12 March 2008

By fax and mail

Clerk to Panel on Development
Legislative Council Secretariat
8 Jackson Road
Central
Hong Kong

Attention: Mr. Wong Siu-ye

Dear Mr Wong,

**LegCo Panel on Development
Meeting on 6 March 2008
Land (Compulsory Sale for Redevelopment) Ordinance**

As promised, we have recapped below the views we presented to the Honourable Members at the meeting of 6 March. We would also wish to put forward a few additional points for their consideration.

We believe all cities need to constantly adjust to changing circumstances in order to improve the quality of life for their residents and adapt to shifting economic conditions whilst, at the same time, respecting heritage and cultural traditions which give a city its "roots". Being a small physical city, but with an important economic role and changing political environment both internally and externally, Hong Kong is especially prone to these forces of change.

The need for urban renewal and rejuvenation, subject of course to appropriate safeguards and constraints, is now well recognized but the mechanism to effect such changes has inevitably been relying on the Government. We believe this should be a shared responsibility and not rely purely on Government institutions but also harness the resources of the private sector in a fair and reasonable manner.

The enactment of the Land (Compulsory Sale for Redevelopment) Ordinance in 1998 has been an important piece of legislation in facilitating these market forces. The law to date has functioned in two principal ways:

1. It has allowed private owners of underutilized property to work together in order to release the latent value of their assets, thereby creating increased individual



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At the Panel meeting, we have heard some concerns that Government's proposal might open the floodgate to compulsory sale which was considered to be detrimental to the interests of the minority owners. This is not going to happen as the current proposal seeks to lower the threshold for two specific types of lots only. It should be noted that each application will still be required to go through the Lands Tribunal. The original power vested with the Lands Tribunal to consider the merits of each case will remain unchanged, thereby assuring the integrity of the built-in safeguard mechanism for the protection of minority interests under the Ordinance.

We would be pleased to elaborate on any of the above points should the Honourable Members so require.

Yours sincerely

Louis Loong
Secretary General

c.c. Mr. Tommy Yuen,
Deputy Secretary for Development (Planning and Lands) 2